Homework- Diary of a Mad Economist A and B due Thursday, 11/13 C due Monday 11/17

An opportunity for introspection, consumption and satisfaction

On a 1 to 40 rating scale place the following in order

Scoring

1 = I barely like at all but if offered and it doesn’t take any work I’ll consume it-the last piece of candy I’d eat

10- wouldn’t reject at Halloween but would be the near to last chosen

20- Generally like

30- very much like, in that 1st group

40- I LOVE IT!!!CAN’T GET ENOUGH OF IT- I’D SELL MY SOUL FOR IT.

A.

5 things you ATE/CONSUMED over the past two days—ALL SCORING IS BASED OFF OF THAT MOMENT OF DECISION MAKING- IE. NO 20/20 HINDSIGHT, DON’T AVERAGE

|  |  |  |
| --- | --- | --- |
| Date and Time of day | Item | Score |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Place in Order w/score

1

2

3

4

5

B.

At one sitting for lunch/dinner

What did you eat first? Second? Third? Fourth? Fifth? Sixth?

Give a numerical score to each item you consumed (1 to 40)

Graph 1 (Marginal Utility) with the y axis score/rating and the x-axis the unit or quantity numbers

Graph 2 - On a 2nd graph (Total Utility) – same for x axis, for y axis Total score after each successive unit- compare graph- take the slope between for each successive unit on the x axis and compare it to the marginal utility.

1. Due Monday 11/17

Walk into a store and **without looking at prices, rank** and give scores to 5 items in the store- based on the 1 to 40 satisfaction score above. TRY NOT TO LOOK AT THE PRICE SINCE THAT MIGHT INFLUENCE YOUR CHOICE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Item- col. A | Score- col. B | Price- col. C | Score/Price  - col. d | Rank based on col. d |
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|  |  |  |  |  |

Assume you have 50.00

What did you buy?

Did you save any of your $50.00?

If so how much?

If you save$, how much and what was the marginal utility of saving the first $ v. the 2nd, 3rd etc...